AMENDED IN SENATE SEPTEMBER 11, 1997

AMENDED IN SENATE JULY 28, 1997

AMENDED IN SENATE JULY 23, 1997

AMENDED IN SENATE JULY 11, 1997

AMENDED IN SENATE JUNE 12, 1997

AMENDED IN ASSEMBLY APRIL 17, 1997

AMENDED IN ASSEMBLY APRIL 9, 1997

CALIFORNIA LEGISLATURE—1997-98 REGULAR SESSION

## ASSEMBLY BILL

No. 732

## **Introduced by Assembly Member Granlund**

February 26, 1997

An act to add Section 14085.58 to, and to add and repeal Sections 14085.56 and 14085.57 of, the Welfare and Institutions Code, relating to human services. amend Section 121745 of, and to repeal Sections 121725, 121730, 121735, 121740, and 121755 of, the Health and Safety Code, relating to communicable diseases.

## LEGISLATIVE COUNSEL'S DIGEST

AB 732, as amended, Granlund. Medi-Cal disproportionate share hospitals: capital projects Communicable diseases: pet birds.

Existing law prohibits the raising and selling, offering for sale, trade, or barter of any parakeets and budgerigars unless

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these birds are banded, as prescribed, and sets forth procedures regulating the issuance of bands for this purpose.

This bill would repeal these provisions.

Existing law requires the State Department of Health Services to adopt regulations it deems necessary for the public health that apply to all pet birds whenever the Director of Health Services finds that psittacosis, or any other diseases transmissible to man from pet birds, have become a public health hazard to the extent that control measures are necessary or desirable.

This bill would revise this provision to delete, in referring to the department, the obsolete reference to the board, the former State Board of Public Health.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Existing law generally defines a disproportionate share hospital as a hospital that has disproportionately higher costs, volume, or services related to the provision of services to Medi-Cal or other low-income patients than the statewide average. Under existing law, an eligible disproportionate share hospital may receive supplemental Medi-Cal reimbursement to defray a portion of the debt service cost for an eligible capital project.

This bill would provide that a disproportionate share hospital meeting specified requirements that has submitted final plans for an eligible capital project may submit substitute final plans and shall qualify for supplemental reimbursement for the revised capital project if specified conditions are met.

The bill would also provide that a surviving hospital of a contractual alliance composed of a private nonprofit general acute care hospital and a disproportionate share county general acute care hospital shall, if certain requirements are met, qualify for supplemental reimbursement.

The bill would become operative only if SB 1099 is chaptered.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

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32 33 SECTION 1. Section 14085.56 is added to the Welfare

SECTION 1. Section 121725 of the Health and Safety 2 3 Code is repealed.

<del>121725. No</del> association, 4 person, <del>organization,</del> 5 partnership, or corporation shall raise and sell, offer for sale, trade, or barter any shell parakeet or budgerigar unless the bird is banded with traceable, seamless, closed bands of standard size, color, and material as specified by 9 the department after consulting with the advisory 10 committee.

11 *SEC.* 2. Section 121730 of the Health and Safety Code 12 is repealed.

121730. No band manufacturer, bird club, association, corporation, society, or person shall issue any bands prescribed under Section 121725 without a permit from the department. A permit shall be granted by the department upon compliance with reasonable and necessary regulations as prescribed by the board.

SEC. 3. Section 121735 of the Health and Safety Code is repealed.

121735. No manufacturer of bands prescribed under Section 121725 shall sell or market the bands in the state without giving a bond as required by the regulations of the board and without obtaining a permit from the <del>department.</del>

26 SEC. 4. Section 121740 of the Health and Safety Code 27 is repealed.

121740. Every band issuing agency shall maintain 29 records and make reports as required by reasonable and necessary regulations of the board. The board may by regulation prescribe the keeping of sales records as it deems necessary to effectuate the purposes of this chapter.

34 SEC. 5. Section 121745 of the Health and Safety Code 35 is amended to read:

121745. (a) Whenever the director finds 36 that 37 psittacosis, or any other diseases transmissible to man from pet birds, have become a public health hazard to the **AB 732 —4—** 

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extent that control measures are necessary or desirable, the board department shall adopt additional regulations as it deems necessary for the public health; and these regulations shall apply to all pet birds whether or not of a species otherwise regulated under this chapter. These 5 regulations shall be adopted in accordance with Chapter 6 3.5 (commencing with Section 11340) of Part 1 of Division 8 3 of Title 2 of the Government Code.

- 9 (b) This section shall not be operative during the 10 1993–94 fiscal year.
  - Section 121755 of the Health and Safety Code SEC. 6. is repealed.

121755. All manufacturers selling or marketing bands 14 prescribed in Section 121725 shall collect a fee for the department on each band sold. The board shall provide by regulation the amount of the fee to be collected, the total amount of those fees to yield a sum approximating the estimated cost of the administration of the parakeet banding program. All fees collected by manufacturers under this chapter shall be paid to the department quarterly on or before the last day of the month next succeeding each quarterly period. Such fees shall be paid by the department into the General Fund in the State Treasury.

and Institutions Code, to read: 25

> 14085.56. (a) A disproportionate share hospital that has met the eligibility requirements provided for under Section 14085.5, and that meets the other requirements of this section, may submit substitute final plans to the Office of Statewide Health Planning and Development and shall qualify for supplemental reimbursement under Section 14085.5 for the revised capital project as described in the substitute final plans if all of the following conditions are met:

- (1) The revised capital project continues to meet all other requirements for eligibility as specified in Section <del>14085.5.</del>
- (2) The hospital provides written notification to the 38 department of the status of the project on or before January 1 of each year commencing January 1, 1999. This

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notification shall, at a minimum, include a narrative description of the project, identification of medical services to be provided, documentation substantiating service needs, projected construction timeframes, and total estimated revised capital project costs.

- (3) The revised plans are submitted to the Office of Statewide Health Planning and Development on or before December 31, 2000.
- (b) A revised capital project, in order to be eligible for reimbursement under this section, shall upgrade or construct buildings and upgrade or acquire fixed equipment used for inpatient services or outpatient services that have a direct link to inpatient services.
- (e) (1) A project, if eligible under the criteria set forth in this section and Section 14085.5, shall commence construction on or before January 1, 2002.
- (2) In addition, the project shall be licensed for operation and available for occupancy on or before January 1, 2009.
- (d) Hospital beds included in a project eligible under the criteria set forth in this section shall not be licensed or certified as skilled nursing facility beds unless the occupancy rate for free-standing nursing facilities in the same health facility planning area is at least 95 percent according to the most recent annual utilization report of long term facility data available from the Office of Statewide Health Planning and Development.
- (e) Revised project costs eligible for supplemental reimbursement under this section or Section 14085.57 shall not exceed the project costs that qualified for supplemental reimbursement under the original project, as evidenced by the architects' and engineers' certified cost estimate of the original plan submission. However, where debt was issued prior to July 1, 1996, for the capital project for which plans were originally submitted, the supplemental reimbursement shall not exceed the amount of the capital project for which the original plans were submitted and that would have qualified for supplemental reimbursement. Projects which had met the initial eligibility requirements provided for under

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Section 14085.5 and which submit substitute final plans to the Office of Statewide Health Planning and Development as provided under this section and which had not issued debt prior to July 1, 1996, for the capital project for which the original plans were submitted and that would have qualified for supplemental reimbursement shall be subject to two-thirds approval of the voters in that county.

- (f) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.
- SEC. 2. Section 14085.57 is added to the Welfare and Institutions Code, to read:

14085.57. (a) The surviving hospital of a contractual alliance composed of a private nonprofit general acute care hospital and a disproportionate share county general acute care hospital in which the combined bed capacity is downsized by at least 30 percent, shall, notwithstanding subparagraph (C) of paragraph (1) of subdivision (b) of Section 14085.5, qualify for supplemental reimbursement as long as all other requirements of Section 14085.56 and this subdivision and, except where inconsistent with this section, the requirements of Section 14085.5 are met:

- (1) The private hospital system assumed operation of a regional burn and trauma service originally licensed under the county hospital license.
- (2) The private hospital contracts with the governing board of the county operating the county hospital, for the provision of medical care to indigents for whom the county has responsibility pursuant to Part 5 (commencing with Section 17000) and county correctional facility inmates.
- 34 (3) The county and the private hospital agree to phase 35 out operation of the county hospital facilities by October 36 2001, and operation of the county hospital facility has 37 been completely phased out.
- 38 (4) The contract with the county requires that the 39 private hospital construct and operate a burn and trauma

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facility to preserve that specialty care as a regional service.

- (5) The contract with the county requires the private hospital to provide medical care for indigents for 30 years and debt service for that portion of construction costs of the burn and trauma unit of approximately forty-five million dollars (\$45,000,000).
- (6) The private hospital succeeds to, and is vested with, the county hospital's disproportionate share hospital status. The condition provided for in this paragraph shall be met only when the Medi-Cal and indigent care patient census acquired by the private hospital meets the census level required for disproportionate share status.
- (7) Plans are submitted to the Office of Statewide Health Planning and Development on or before December 31, 2000.
- (b) A supplemental reimbursement made available under Section 14085.5 to a hospital meeting the requirements of this section shall not exceed an amount sufficient to service any remaining construction costs of the burn and trauma unit up to one hundred million dollars (\$100,000,000) over the forty-five million dollar (\$45,000,000) amount referred to in paragraph (5) of subdivision (a) for a 30-year loan.
- (e) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.
- SEC. 3. Section 14085.58 is added to the Welfare and Institutions Code, to read:
- 14085.58. The obligation of the department to provide supplemental reimbursement to a disproportionate share hospital incurred pursuant to Section 14085.56 or 14085.57 shall not be affected by the repeal of those sections, and the department shall continue to provide any supplemental reimbursement required by that obligation even after those sections have been repealed.

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- 1 SEC. 4. This bill shall become operative only if Senate 2 Bill 1099 of the 1997–98 Regular Session is chaptered.